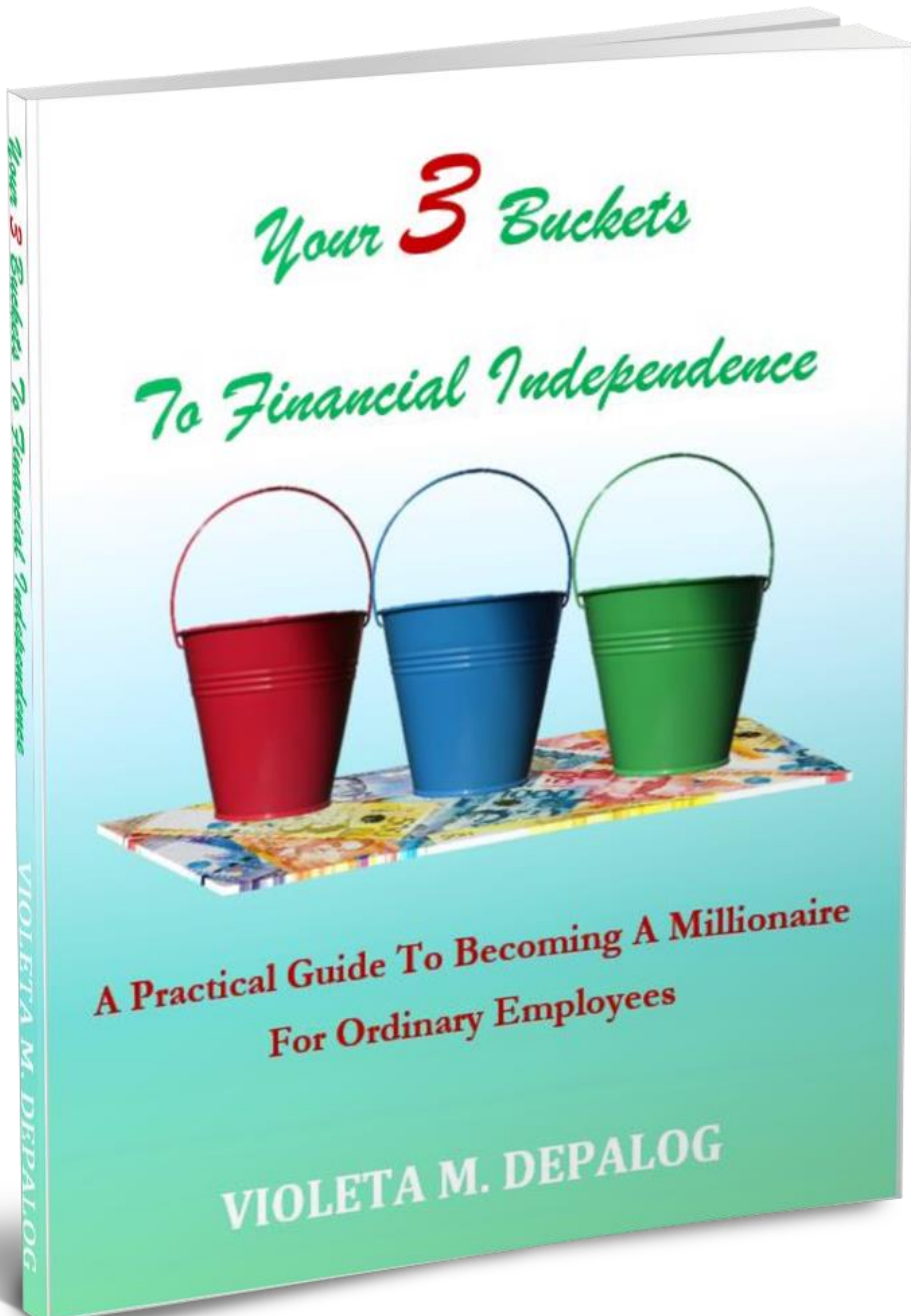
Your 3 Buckets
To Financial Independence
A Practical Guide To Becoming A Millionaire
For Ordinary Employees
VIOLETA M. DEPALOG
Your 3 Buckets To Financial Independence
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Your 3 Buckets To Financial Independence

A Practical Guide To Becoming A Millionaire For Ordinary Employees

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In your 3 buckets to financial independence, you are going to learn:

- What is Sandwich Generation
- Five ways to start your Financial Road Map
- Easy Ways to Save Money for Starters
- How To Grow your money through investing in paper assets
- How To Produce Results

Let's remove all the long introductions that a typical e-Book or book usually has.

I understand that you are very eager to bring these 3 buckets home with you so you can pour their contents unto your plants and enjoy watching them grow robustly and bear fruit abundantly.

The 3 buckets I'm about to hand you contain 3 very important things that will help you get through the wall that has been surrounding you for long to reach your dream financial independence for your family.

I will be sharing with you how to build a financial roadmap, how to save money, and how to multiply your money.

Let us begin our journey in this eBook through a reality check.

The Sandwich Generation

Are you in the Sandwich Generation in your family?
Do you feel like a palaman?
What does a palaman do to 2 slices of bread na nasa ilalim at ibabaw niya?

Di ba pinapalasa niya ang mga ito? Without the palaman, the bread will be tasting so bland, walang buhay.

Palaman ka rin ba?
Are you the bread spread between your parents and your children?

Are you the palaman in this sandwich generation?
Are you aware of the effect of this sandwich generation that you and I belong to?

The result is a continuous cycle of a status quo lifestyle. Walang pagbabago, no progress at all. This is one of the main reasons of the continuous poverty among many Filipino families.

In most cases, the scenario is like this:

Pagtanda nila Juan at Juana, aasa sila sa financial support mula sa kanilang mga anak na sina Junio, Junia, Juanito, Juanita. Ngunit dahil hindi naman nakapag-aral sina Junio at Junia at si Juanito, si Juanita na lang ang kanilang pag-asa. Habang pinapalaki ni Juanita ang kayang mga anak na sina Juanitito at Juanitita, nagbibigay pa siya ng tulong pinansyal sa kanyang mga magulang at mga kapatid.

So, what happens?

Pagtanda rin ni Juanita, aasa din sya sa kanyang mga anak na sina Juanitito at Juanitita while they are also spending money for their own growing families dahil hindi siya nakapag-ipon noon because she needed to equally feed the TWO slices of bread na nasa ibabaw at ilalim nya – ang kanyang mga magulang at ang kanyang mga anak.

So, what's the result?

The cycle goes on and on up to the next generation.

So, what to do now?
Should we abandon our parents?

Absolutely NOT. Impossible. But you can do something to stop this destructive cycle of sandwich generation.
Start it now by planning, saving and investing for your old age.

By doing this, you are unburdening your children with the guilt of neglecting their parents when you are no longer able to work and support yourself. You are freeing them from becoming a palaman like yourself. You will be creating wealth that will benefit your whole family's future.

Preview

We dream, we all do. And when we start to paint pictures of the future that we desire, we keep filling in the picture with the familiar faces. Faces of the people so dear to our heart. We don't dream just for ourselves. Do you?

But the big question is how do we achieve these dreams? Many have dreamed, everyone, but only few successfully got what they wished for, why?

The difference lies on what we put in the buckets we carry.

Here is a preview of what should you be putting in your buckets.

1. Goals: Plan Ahead

"He who fails to plan, plans to fail."

We all have financial goals. We all have something we are looking forward to that needs money. This might be a long awaited vacation with our loved ones, a new car, house, get out of bad debt and have savings, start a business, educational plan of the kids and many more. Whatever that goal is, we will never achieve it without planning the steps to have it.

Plan, Plan, Plan.

Start by making a monthly budget all throughout the year. You can do this in a notebook or in your computer or even in your smart phone.

List your sources of income. List your monthly expenses. List your debts. Try very hard to include savings and debt pay off, if you have debts that you are paying, or haven't started paying yet.

Planning your finances ahead for the whole year will give you direction. It helps you to have focus. It shows your priorities.

Listing all the things you plan to spend your money on will give you a clear view of things that are more important.

You may cut down on some other expenses to add more on savings.

P.S.

Don't forget to give back to the one who gives you blessings. Give back to HIM, offer a part of your earnings to God. If you do this, it helps you clearly appreciate that everything you have is from the Lord.

2. Savings: Set aside at least 10% of your monthly income

If you haven't gotten the chance to save in the past because of too many expenses and a little amount of cash flowing in, here's another chance for you to start.

Saving is a habit.

Form a habit of saving every time you get paid from whatever work you are doing.

For employees, this is not hard to do although many complain that their salary is too little, that they have nothing left to save. But I found this reason untrue.

If you list down all the things where your money goes every week or every month, you can always find an item in your expenses that you can cut down so you can put that in your savings instead.

How many times do you eat out in a week?
How much money do you spend for your mobile phone cash load everyday? Every week?
Need ba ni Junior and bagong cellphone?

Believe me, saving is not hard. If you lessen the amount of money you spend on the sample items I listed above, there is always something left for savings.

But when you save, please believe that you are saving for the HAPPY days that come.

Stop the old way of thinking we've inherited from our parents and grandparents.

STOP saying this, "I'm saving for the RAINY days" because if you do, rainy days will absolutely come to flush your saved money away because it is what you are attracting even before you start setting aside that 10% of your monthly salary.

3. Investment: Grow your money

I hope that after taking all these 3 buckets with you, you will start growing your money. While you save money every payday, invest on your knowledge, too. Invest on yourself, first.

You should read materials about personal finance. Educate yourself on the money machines that may help you achieve financial freedom. Be wary though with the quick money making schemes that are advertised everywhere. Otherwise your hard earned money will go down the drain. Change happens overtime. You should always bear that in mind.

Learn about mutual funds, stock market, UITF, VUL. If you are good at entrepreneurship, study your business of choice, the dos and don'ts. Read and learn about the investment instrument of your choice before engaging yourself into it.
It is my dream that after you've read the last page of this e-Book, you will start to move one step at a time to your journey to financial independence and be one of the very few successful Filipino investors.

Bucket 1: Planning

Five ways to start your Financial Road Map

Changes start with a plan. A successful lesson starts with a well-planned lesson. A successful business start with a clear business blueprint. Does that follow that on New Year's Day when people start listing their New Year's Resolution that their life will turn out the way they wanted it to be?

I'm afraid that's not the case. Many plan but these plans turn out to be just plans all year round because according to Forbes.com, only 8% of people achieve their New Year's Resolution.

I want you and me to be one of those 8% percent. So, I am sharing with you the 5 ways to start a financial road map that I personally followed that are now gradually showering me with positive outcomes.

Importance of Financial Road Map

Preparing your personal financial road map will let you be aware of every important aspect of your financial life. It will tell you where you are and how you're going to get where you are going. Your personal financial road map helps you move forward towards your goal with knowledge, clear direction and confidence.

Here are the FIVE steps I'm talking about.

1. Honestly determine where you are

Being honest with yourself in determining your financial state will reveal where you actually stand in terms of your financial situation. There are some who are still in denial and try to see themselves as financially free even though they are not.

Some are still living in dreams that they are still able to finance their chosen lifestyles even though they are already buried in debt or are in a difficult financial situation. Mapping your financial goals won't be a success if you are holding back or is not totally honest with yourself.

a. List down where all your cash is coming from

Make a list of all your monthly sources of income. It may come from your full time job, from your sidelines or part time work, and from your investments if you already have one.

b. List down your permanent monthly financial responsibilities

Prepare a monthly budget of all your needs. This may include your house utility bills, school fees, food, your tithe and other permanent financial obligations.

c. List down your debts

Make a list of your debts. Start it from the smallest to the biggest debt you have.

Now that you have listed your sources of money, where your money goes and how much you owe others, you may now have a clear view of your current financial situation.

2. List your SMART goals

After knowing your financial situation, you now have a basis in building your financial goals. Whatever that goals be, they deserved to be heard and be considered. Write your goals and see whether they are **S**pecific, **M**easurable, **A**ttainable, **R**ealistic, **T**imely.

Make your goals specific so you can easily picture and achieve them. Let it be a measurable goal, too. Make sure that you can easily track your progress in the process.

Consider your current financial state and determine whether your goals are attainable and realistic which can also be achievable in a set time frame. For example, can you achieve your goals within this year?

Don't make a long list of unrealistic goals that you want to reach within a short span of time. Change does not happen overnight. I'm sure you don't want to be overwhelmed and frustrated once none of your goals come into reality. Goals are motivating once you started reaching them.

Below is an example of goals that are attainable within a year that can be called **SMART.**

*Pay quarterly 1 of the existing loans (Getting out of bad debt)

*Write and market at least 1 e-book (creating additional source of income)

*Invest in the stock market towards the last quarter of this year (growing money)

3. List ways to achieve your goals

You now have a list of your SMART goals. The next question will be, how to make them real. This is next to the hardest part in preparing a personal financial road map, but it is manageable. You just have to go back to your goals and list down small simple ways on how to achieve each of them.

For example, in order for someone to pay his loans quarterly, he may keep a certain part of his monthly salary for this. He may also think of ways to increase his cash flow and look for additional sources of income to give him more cash.

4. Take Action

This is now the hardest step in achieving all the goals you have listed. Even though you have listed the ways to attain them and set a time frame to meet each of your goals if you won't stand up and start to take actions, your goals will only remain as goals. Your dreams will only be dreams.

Read your dreams everyday. Make it a part of your life. Include your list of dreams in your prayers. By doing all these, it will keep your motivation high.

Your dreams will serve as your reminder to keep moving and implementing your plans for a better future for you and your loved ones.

Don't just wish for success. WORK for it.

5. Track your progress

Finally, you should also revisit your goals and see your progress. Make adjustments. Compare your goals to a plant that needs to be watered and pruned in order to grow and bear fruit.

So, there, the five ways that helped me start with my personal finance

Bucket 2: Saving

Are there people who are born savers?

Well, maybe there are but one thing is sure.

Saving is a skill and everybody can learn to do it.

I believe that everybody has the ability to save. Money does not choose which person to stick to. It's the person, it's us who actually choose to whether end our relationship with it or mend and cultivate it.

What's your purpose?

Before you start saving money, you should have a purpose. You should be emotionally involved in this endeavor to succeed. You should have a deep personal reason why you are saving money.

What is that special thing you are saving for?

Are you saving money to have more money or are you saving money so you can afford to live a life of your dream?

Remember this: **Saving money starts with the right mind set.**

So how could anybody save money?

Here are the 3 Easy Ways to Save Money for Starters

1. Every peso counts

It is a cliché but it's often ignored. For me here in China, "Every RMB/Yuan counts".

In my room I have a bottle full of 1 Mao *(1 RMB is equivalent to 10 Mao).*

These numbers of Mao have been accumulated since the time I started working here. I spent some of course but the last time I counted, they amounted to more than 60RMB.

So, imagine if by the time I arrived here in China I started accumulating 1RMB or 5RMB or 10RMB and never spend it.

How much Chinese money I might have accumulated through the years?

It could be more. This shows that every penny, whether it's an RMB or a Peso, every tiny penny when accumulated becomes enormous.

So, if your goal is to save for example 100 thousand pesos and you are just an ordinary employee earning maybe 15,000 Pesos a month with high monthly living expenses, how could you apply the principle of "every peso counts?"

Don't be overwhelmed by the figure. It is possible, believe me, that you can achieve your goal.

For 100,000 Pesos, you just need to save 1 Peso **100 thousand times**. If you're aiming for 1,000,000 Pesos then save 1 Peso **1 million times**. Sounds funny? But it makes sense right?

Save consistently. Never lose track. Never lose the motivation. Think of your purpose.

2. Delay your gratification

I still can remember when I was a little girl. Growing in a *"barrio"*, we have this bamboo *"alkansya".*

Then I remember also that every time I wanted to buy *Texas* or *Bazooka*, the popular chewing gums at that time, I ran to my *alkansya* with a small knife in my hand to take some coins out from it. Haha, sweaty, peeping at the coins and trying hard to take out some.

At a very young age, although I was given the chance to meet the concept of saving money, it was not the right one. See, I used to always give in to my short term wants.

By the time my friends were drinking *Royal True Orange*, I no longer had enough money to buy one for myself because I habitually took my money out for an ordinary chewing gum.

One of the reasons why people are poor is because people don't know how to delay gratification. People live life as if there is no tomorrow.

Don't pity yourself when you don't give in to your wants now because you are doing yourself a huge favor. Don't feel bad for yourself when you don't buy that new smartphone model, although you can afford it, because you are saving to buy a tricycle or a car for hire that can help you earn more. In short, you are forgoing good things for greater things.

Owning a latest smartphone model is good but it is great to have a car rental business that helps you earn more so that you can afford more.

Think of the long term and not just of the short term. Forget good things for great things. Forget the ordinary for the extraordinary.

3. Don’t mix it all up

Be organized with your money. Don’t put your spending money and savings all together.

If you have bank accounts, have a separate bank account for daily expenses and another account for savings.

If you want to make it simpler, do envelope budgeting. If you have kids, allot 1 envelope for each of them. Let them learn how to budget their own weekly allowance.

Remember this: Savings should be separated from money for expenses.

Mixing them up together won't work. It will be hard to mentally segment your money. Even though you have a photographic memory, I doubt if you can quickly imagine how much money left for expenses-for utilities, food, entertainment, etc.

So, separating which money goes to which makes a lot of sense.

But, then most of the time, it may seem hard to separate an amount for savings especially when there are also many bills to pay.

Others associate saving to self-sacrifice or to being too stingy on yourself.

Although, we have to be disciplined and not to give in to our wants to gratify ourselves, saving while spending can be possible.

Saving should not be a painful process.

You still can enjoy your money while saving some. Here are the **4 ways you can adapt to save money while spending.**

Have you ever wondered why you never managed to save even ONE peso from your monthly Salary?

Bakit lagi na lng kapos? Then, you start to mumble looking for someone to blame for not being able to save after all. Do you know anyone like this?

I remember when I was walking at SM Baguio, an agent from one of the insurance companies met me with a smile and talked me into attending a short training at their office.

And since I am always interested with personal finance and also waiting for my friend to arrive, I agreed to attend their very short training.

I am telling you this because one of the striking message that the agent told me on how to spend and save money reflects a wrong mindset of many when it comes to money saving.

The agent explained that in order for us to save for our future is not to spend all our money every time we receive our salary which I totally agree with (101%) but his method of saving is what I completely disapproved.

He said, "ipunin ang mga tira-tira at ilagay sa savings". So he was basically saying that the SAVINGS should be yung matitira na lang sa salary mo, yung hindi mo nagastos.

What will be the possibility na may matitira nga? (wink…hehe) Di ba nga't nagrereklamo kang kulang na kulang ang sahod mo?

This is the reason why you may not have savings at all.

Dahil kung ano na lng yung matitira yun na ang savings.

But in most cases, we don't stop spending hangga't meron pa.

So, what should be a better way to spend your money while saving?

1. Set aside your savings before start spending

It is worth to follow the well-known formula
Salary – Savings = Expenses

This might seem impossible but setting aside a minimal percentage of your salary each month pays off as time goes by.

Salary (10,000 Pesos) – Savings (10%=1000 Pesos) =Expenses (9,000 Pesos)

2. Practice budgeting

List down all your basic expenses monthly – your needs and wants, your dream vacation or dream gadgets. Then allot a certain amount for each. Hindi pa rin talaga kasya ang sahod? Well, maybe the next suggestion will help

3. Cut down on your expenses for now

Look back at your listed budget, do you really need all these? Do you really need those 2 bottles of 8 ounces of soda a day? Or those trips to the fast food restaurant pagkasundo kay Junior several times a week?

Are your electricity or water bills soaring up? Well, how about checking on your ways of using them? I always notice my mom plugging out our appliances at home when they are not in use. Or is the TV always on while your computer at home is also on, while you or your children are playing games on their tabs or phones?

4. Practice KUROT and not DAKOT

When spending especially on wants, kumurot ka lng sa pera mo and huwag dakutin lahat.

Like when you want to buy the newest model of Samsung or Apple phone, see to it that when you buy it, hindi lahat nang pera mo ay doon mapupunta.

If all of your money will be spent on just buying that 1 latest phone, wait until you have enough money to kurot from.

In practicing kurot strategy, the amount of the stuff I want to buy is at least 1/3 of my total available money.

Say, if the phone price is 20,000 Pesos, I should at least have more than 60,000 Pesos in my bank account.

From these 4 simple ways of spending and saving money, you will be surprised to see how much money you can save.

Saving is not a one man job in the family. It should be a team work. Parang sa basketball or sa football. The ball won't be shoot in the basket without the help of every member in the team. Parang sa football din, the team won't score unless everyone is doing their part.

Therefore, saving is also a group's effort. Everyone in the family including the kids should understand what you are trying to do.

I don't have kids on my own but I have many nephews and nieces, 25 of them. I have 6 brothers who are raising their own families and I have witnessed, first hand, the different parenting styles of my brothers and sisters-in-law. But from these, they all have one thing in common. Can you guess what that is? The kids are not often a part of their money talks.

I understand that it's not my brothers' intention to exclude them from these topics. Perhaps, that is the result of how we were raised. My parents haven't included as much in their financial planning, too. Ang maririning na lang naming ay "wala tayong pera", hindi Pwede, "walang pera".

Should kids be involved in money talks then?

"Awan kwarta tayo, daytoy matak sukitem, isu igatang mo!!!" (We don't have money. Here are my eyes, dig them away. Use them to buy your stuff!!!)

Sounds familiar?

Have you heard this line while you were growing up? Until now I couldn't understand why eyes are used metaphorically to represent money. Is it because our eyeballs are round that they replicate the shape of a coin?

But this line is so magical that when a child hears this he immediately understands that there is no way he can let his parents buy that stuff from the store for him. Because how could he blind his parents in exchange for that doll or toy gun from the store? How could he or she carry that guilt all his life?

But wait a minute. In yelling this line to a child after seeing you took that money from your pocket to buy a kilo of rice, then saw you put the change back to your pocket, what could be the thought playing in the child's mind?

Let's take a look at the short analysis below

Most kids reaction when they see bills and coins?

We have a lot of money

Most parents reaction when their children want something from the store (mostly toys)?

Walang Pera!!!

Child's confusion?

(In mind) How come we don't have money? I just saw you counted the bills and put them back in your pocket.

Child's conclusion?

(In mind) We have money but mom doesn't want to spend it for me.

Child's Reaction?

Throws tantrums at the middle of the store embarrassing his parents

Result?

Parents will finally buy the toy even after telling their child they don't have money to avoid embarrassment from the prying onlookers.

Child's thought?

(In mind with a grimace face) I told you so, we have money.

…Then this scenario continues as the child grows, the tantrums are turned to blackmails like…*awan met gayam kwarta tayo, ket di ak latta garuden agiskwela a* (We don't have money? I better not go to school then). Until the poor parents will do their best to produce the money being asked.

Let me tell you a short story about this family that I have known for years.

This is a family of four. The couple have two kids. The mother is so organized with their family expenses. There are times that the mother cooked *adobong mani* and let her children sell them to school.

Then after school, the children go home remitting the collection to their mom. They sat down to count the coins.

The mom then asked how much gains did they have that day.
Do you know what the mom did with the gains?

What she did was amazing.

She sat with her girls then asked them of their goals. She asked them what they want to spend their money on. Of course what they wanted were very costly like mobile phone, branded shoes. So, the mom encouraged her girls to save the gains of their peanut business.

It became funny that the girls wouldn't even dare to eat their own *paninda* or even dared to spend their own money to buy their *mani* even though they really, really wanted to.

What they used to do is to wait for their grandpa or grandma to give them money to buy their own *paninda.*

The girls are involved in their family's major purchases.

The girls at a very young age understand where their money comes and where their money goes. The girls see how their family money comes from their parents' hard work and how this money is budgeted and spent.

This is not a make believe story.

So, as the girls grow, they know how to value every penny that their parents are giving them, the gifts of money they receive from their ninongs and ninangs Christmas. The girls put these gifts in their savings account.

When their mother got seriously ill, they even unselfishly volunteered their money to pay for their mother's hospital bills.

I grew up hearing the lines, ***sukitem daytoy matak***… (Dig my eyes away)… often when I asked for money to buy candies or toys and I couldn't understand.

I'm not saying my parents are bad but the lack of financial literacy pushes many parents to do the same.

I grew up thinking that my parents have money but they just don't want to spend it for me. I only came to understand their financial struggles when I was in high school.

Thus when I went to college, I tried my best to sign myself up with any scholarships available at the university and pushed myself to be a working student in the university's library for one summer to help my parents lighten their financial burden.

Let me ask you again**,** Should you involve your kids to in your family's money talk?

On the other side, we feel guilty when we refuse to buy what our kids want. I experience this with my little nephews and nieces even with my grown-ups.

But tell you what, don't be and this is why.

2 Reasons Not To Feel Guilty When Refusing To Buy What Your Kids Want

One of the reasons why parents are unable to save is not the only because of their minimal amount of take home pay every month but it's rather their guilt.

The guilt of seemingly depriving their children of their wants. Because of *"naguiguilty sila"*, they find it hard to separate a little amount of their income for future use or for investment.

It might seem that I have no authority here to talk about this subject since I am single and have no kids but being a parent is not only to those who have borne and raised their own.

I may not have kids on my own but I understand the frustration and ache, the *"kurot"* in your heart when you are not able to buy that little cute toy, or that signature bag or shoes that your son or daughter is rooting for.

And when you see your child in tears because you said NO to their wishes, you also feel the pain in their heart. You feel your heart crashing and start to feel guilty for not being able to grant your child's wish since you actually have money but you are reserving it for your children's tuition next month.

But because you don't want your child to feel sad anymore, you give in and buy that little toy or signature bag or shoes that he or she has been dreaming to have.

And so the money you are saving for next month's used is now gone. Then, you have to adjust your budget again and might even borrow some money to make ends meet.

I know you also feel guilty when you cannot grant your children's wishes-may it be a new phone, throw a grand birthday party, attend a concert and other requests that they ask from you.

But, I am assuring you from my personal experience as a daughter who also seemed to have been deprived of my wants while I was growing-up, from my experience as mama-tita to my nephews and nieces that declines their requests for new phones, computers or cash that when you refuse to give in to your child's request, you are doing the right thing and there's nothing to be guilty about that because:

1. **You are preparing for your child's long term needs**

   She may feel bad or even cry because her bag is not bearing that popular signature as those of her friends and classmates' but as soon as her tears dries up, with a little more of explanation why you can't buy the bag just yet, she will still love you. And when examination time comes, she won't be lining up at the principal's office to secure a promissory note to sit for exams.

2. **You are teaching your child the importance of priorities**

Not allowing your child to attend a concert is not a punishment but a lesson to teach that there are more important things to spend money on other than a concert.

In exchange for a live concert, you can rent a DVD or watch recorded concert on YouTube for free. And so when the school offers an educational tour, your child can afford to join because you have money to pay for her fare and other expenses.

This is what I believe. As long as you involve your children in your family's financial planning at an early stage, they will come to understand your family's finances and they will cooperate in upholding your family's spending.

I have personally encountered friends who do this and I've seen how their children developed a strong sense of saving and spending habit as they grow up.

The bottom line is, depriving your kids with their short term wants and happiness will eventually provide them a brighter and happier future in the long run.

But don't start saving until you have read this story I am about to share as I end this second bucket.

How much money do you have in your wallet?

Are you comfortable with the amount of money you have right now?

The story I am about to share with you is the story of Mang Dionie, the Lotto winner of 14 million Pesos in 2008.

In 2008 Mang Dionie became an instant millionaire unfortunately, he eventually lost almost everything.

When Mang Dionie learned that he won the System 7 lucky pick, he immediately withdrew 1 million Pesos to give him the experience of holding such amount.

He also bought a Fortuner and a house worth 4 million pesos.

He also continuously gave cash gifts to his relatives, friends and co-workers. He even gave his Boss Kaka 100,000 Pesos.

Not only that, Mang Dionie gradually took all his money because he got addicted to bad habits he was buried in debt. And to be able to pay his debts, he has to sell the properties he acquired from his Lotto winnings.

Then, until Mang Dionie has no choice but to go back to work doing his former utility personnel job. In 2011, he also got ill and was operated due to heart failure.

The 14 million he luckily won was gone except for the house that he was able to buy.

Mang Dionie's story is just one of the many other sad stories of once upon a time millionaires that went back being poor.

This story reminded me of one of **Bo Sanchez' Power Talks** on psychological wallet is which he defined it as the money we are comfortable with. The money we are comfortable to hold, the money we are at ease to keep.

The reason why many instant millionaires turn back being poor is because many of them don't have large psychological wallets.

Perhaps the reason why you have difficulty saving a lot of money is your tiny psychological wallet.

Many of us have a tiny Psychological wallet that when it's full, we feel uneasy that we have to spend the extra amount so we can feel comfortable keeping that wallet inside our pockets.

When you start to save with an itsy bitsy teeny weeny yellow polka dot psychological wallet, you will always be poor no matter how hard you try to save.

If your psychological wallet is only 10,000 Pesos, you will still end up being poor because 10,000 Pesos is the only amount of money you are comfortable with.

Every time you have more, you'll scrape it, remove it until you will always be that 10,000 Peso person.

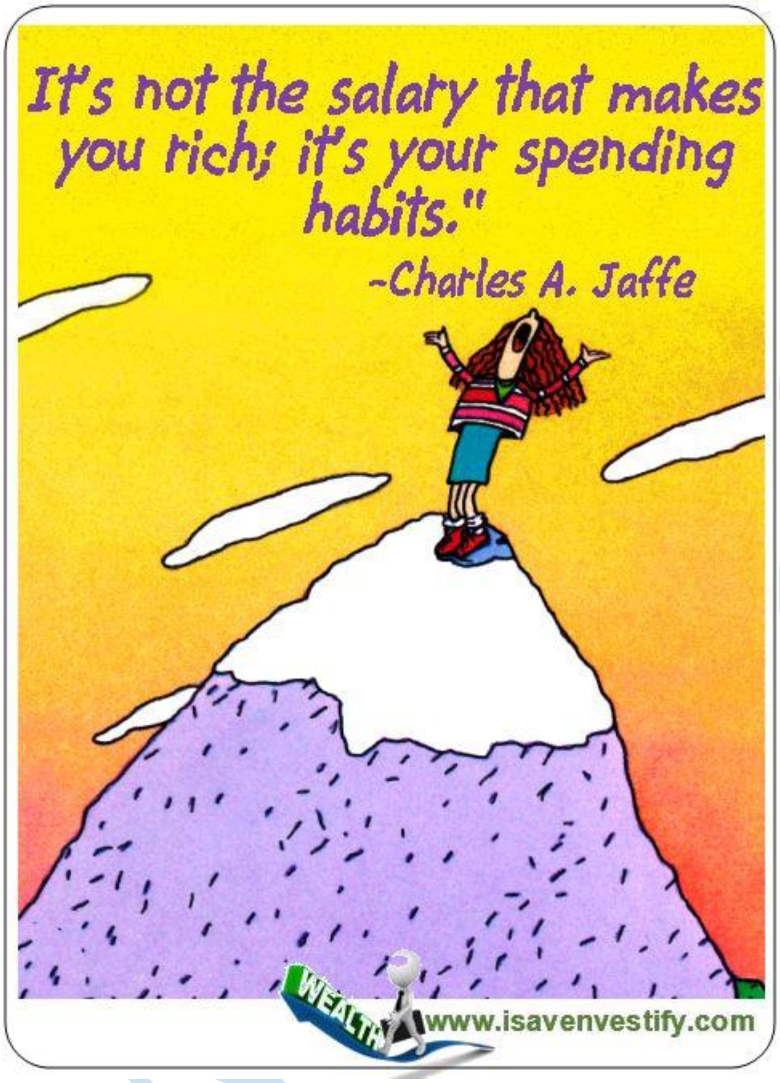
But if on the other hand, you already have a huge psychological wallet before you start saving, you will have greater opportunities to succeed.

You have the extra opportunities to be rich because you will be working more, saving more, and comfortable holding more.

You will be able to keep big amounts of money and be capable of multiplying it more. You will not be overwhelmed to carry that huge amount of money in your pocket because you are prepared for it.

The bottom line is, enlarge your psychological wallet so you can have more, so that you can help more.

Learn more from Bo Sanchez by being one of the lucky few Filipinos who have heard of the **Truly Rich Club**. Just go to **http://viol82139.trulyrichclub.com** and be one of the future Truly Rich Filipinos.


It's not the salary that makes you rich; it's your spending habits."
-Charles A. Jaffe
WEALTH
www.isavenvestify.com

Bucket 3: Investing

As Robert Kiyosaki, the Author of the Rich Dad, Poor Dad said:

"It's not how much money you make, but how much money you keep, ***how hard it works for you, and how many generations you keep it for."***

Be like farmers

Sow seeds, tend them and patiently wait for the time to harvest.

How many mango seeds does it take to grow a mango tree that later on bear hundreds of kilograms of mango fruits? How many kilograms of rice grains does it take to produce tons and tons of rice?

These few seeds of plants have the ability to produce abundant supply of food that won't allow you to go hungry. But in order to let their plants grow, farmers need to tend them-from watering, putting fertilizers, spraying pesticides, weeding the grass that grows around them, and cultivating them to take away the risks of the plant from producing less fruit than what is expected, or worse from dying out.

To make sure that the rice grains they sow will grow and bear grade A grains, the farmers have to patiently watch over their plants, and patiently wait for the right time to harvest.

What am I saying?

In growing your money, you need patience. If you like growing your money instantly, I apologize but the ways I'm about to teach you aren't the ones you are looking for. I'm sorry. You may want to try lottery or TV game shows or tracking hidden Yamashita treasures.

The ways I'm going to share are slow but sure. Long term but worth it.

Have you ever seen a farmer who harvested his rice grains when the grains are just sprouting out? Or have you ever heard of a farmer, who planted rice and after a month the rice are set for harvest? Plants need time to grow and so does Money. **Money needs ample time to give ample returns.**

So, How to Grow Your Money?

As starters, be open minded to read and digest the following:

Choose your vehicles to wealth

Ride your way to wealth. There are many money machines that can make you rich.

Read, read, read. Many Filipinos today are so lazy to read. What they love to see are the viral nonsense videos of some people dancing around a banana tree.

Change the habit. Educate yourself with different investment instruments in the country. Lessen your Facebook time. Spend more time reading articles and watching videos about investing in the stock market, Mutual funds, VUL, UITF.

Let me present to you the Mutual Fund and the Stock Market in this third and final bucket.

Mutual Fund

What is Mutual Fund?

"It is like rice. It is a staple" – *Bo Sanchez*

"It is a pooled fund collected from several investors for the purpose of investing in securities." –*INVESTOPEDIA*

"It is a collection of funds from many investors which is managed by a professional fund manager to gain income for the investors." – *isavenvestify*

Benefits of Mutual Funds

1. **Managed by professionals**

As a starting investor, you need someone to manage your investment.

Like in starting a business, you need an expert to guide you in growing and managing your business to minimize the risk and maximize your income.

These professional managers will closely monitor the market to let your money grow no matter how small your fund is.

2. **Convenient**

Because they are managed by professionals, mutual funds are easy to invest in. You don't need to do the monitoring of the market and looking into every detail of your investment.

3. **It is already diversified**

Mutual Fund has a default setting which I personally call the "diversification app". The fund manager will instantly invest the collected fund in a wide range of securities.

This will balance the risk of loss because if one of the securities goes down, the others might be performing well.

The Fund manager puts the eggs in different baskets to minimize the risk of losing all the eggs when crisis strikes.

4. **Beats inflation**

Putting your money in Mutual funds provides you the chance to beat the inflation rate comparing it with just putting your money in your bank's saving account.

5. **Allows anybody to start small and can consistently add small**

As an ordinary employee with a not so extra-ordinary salary, investing in mutual funds is affordable.

You can start with a minimum amount of 5000 Pesos and can consistently add a minimum amount of 1000 Pesos anytime.

6. **Safe**

Mutual Fund is a legitimate investment instrument. It is highly regulated by the Securities and Exchange Commission (SEC).

The funds are only invested into particular investment products and are prohibited to engage in certain transactions that may jeopardize the investors.

Mutual fund managers are like bus drivers. Remember that each public utility bus has a certain route. Each mutual fund also has particular securities to be invested in.

Buses are prohibited to takes routes which are not included in their transport or franchise permits and so do mutual funds. The fund manager can not just invest the pooled funds in any securities that are not in the list.

7. **Liquid**

Your Mutual Fund investment can be redeemed anytime. However, you just need to take note of the fees that may apply if you redeem your fund earlier than the minimum holding period.

Drawbacks of Mutual Funds

1. **You don't have control over your fund**

Because you are not the one managing your fund, you don't have control over it. The only control you have is when to add funds or when to redeem your funds.

Imagine yourself riding on a bus. Because you are not the one driving the bus, you have no control which route the bus driver will take. The only thing you can do as a passenger is to wait for the designated stations to get on and off the bus.

Unlike if you are directly investing in the stock market, you have total control of your fund. It's like driving your own car. You can take any route you wish to take.

2. **Returns are not guaranteed**

Mutual funds are affected by market conditions. There are times that the market is at loss. Thus returns in mutual funds are not guaranteed.

However, there are strategies that you can do as an investor to minimize the loss and maximize your returns. This can be done through long term investing and the cost averaging.

Four Types of Mutual Funds

1. **Money market funds**

These funds have the lowest returns and with lowest risk also.

These funds are invested in short-term government securities including time deposits and special savings accounts.

This is recommended for short-term investing which is ideally, less than 1 year.

This is recommended for conservative investors.

2. **Bond funds or fixed income funds**

These funds are invested in low risk assets such as government securities and corporate bonds that generate consistent returns

This is recommended for short to medium term investments which is ideally, 1 to 3 years.

This is for moderately conservative investors

3. **Balanced fund**

These funds have balanced mixture of safety, income and capital appreciation

This is recommended for long term investment which is ideally, more than 3 years

These funds are invested in fixed income securities and in the stock market

This is for moderately aggressive investors

4. **Equity funds**

These funds have higher returns but the risks are greater, too.
This is recommended for long-term investment which is ideally, more than 5 years.

These funds are invested in the stock market

This is for aggressive investors.

Mutual Fund providers in the Philippines

Below are the list of mutual fund providers listed in the COL Fund Source of COL Financial Philippines

Fund Provider	Fund Name
ATR KimEng Asset Management, Inc.	ATRKE Philippine Balanced Fund ATRKE Equity Opportunity Fund ATRKE Alpha Opportunity Fund
BPI Investment Management Inc.	ALFM Money Market Fund ALFM Peso Bond Fund ALFM Growth Fund Philippine Stock Index Fund
First Metro Asset Management, Inc.	First Metro Save and Learn Fixed Income Fund First Metro Save and Learn Balance Fund First Metro Save and Learn Equity Fund
Philam Asset Management, Inc.	Philam Managed Income Fund Philam Bond Fund Philam Fund PAMI Horizon Fund Philam Strategic Growth Fund
Philequity Management, Inc.	Philequity Peso Bond Fund Philequity Fund Philequity PSE Index Fund Philequity Dividend Yield Fund
Sun Life Asset Management Company, Inc.	Sun Life Prosperity Money Market Fund Sun Life Prosperity GS Fund Sun Life Prosperity Bond Fund Sun Life Prosperity Balanced Fund Sun Life Prosperity Philippine Equity Fund

You may approach any of these providers to start your first mutual fund investment.

Benefits of buying mutual funds through COL

1. **Easy and Convenient**

Investing in mutual funds through COL Financial eliminates the troubles of going to the different mutual fund providers to invest.

This makes funding and monitoring your investment very convenient with just few clicks of mouse.

2. **No front and end fees**

Front and end fees are the charge deducted from your fund from your initial fund and from the sales when you redeem your fund.

When you invest in mutual funds through COL, the front and end fees are waived.

The Stock Market

What is Stock Market?

Imagine yourself entering into a *sari-sari* store. There you find different products for sale. There may be bread, soda, coffee, shampoo and the like. Then, you decide which one to buy. After choosing, you give your money to the *tindera* in exchange for the goods.

The stock market is not much different from a *sari-sari* store.

In the stock market, see yourself entering into a grocery store. The difference is, this grocery store does not sell bread, nor soda, nor coffee, but it sells COMPANIES.

Well, it's not the whole company but **a partial ownership of that company.**

So, when you go to the stock market to shop, you will choose which company you would like to partially own. After deciding, you give your money to the company through your broker in exchange of the shares or partial ownership you want to keep.

Example:

You enter into the stock market and you see shares of SM, Ayala, Jollibee, BDO, Meralco and many more companies.

You decide which company you would like to share ownership with.

Let's say you will choose Jollibee because this might be your favorite fast food and you know that it is an established company. So, you will buy shares of Jollibee through your stock broker of choice.

Then, you now become one of the thousands owners of Jollibee Corporation which means **you will share with both the gains and losses** of Jollibee.

What is a broker?

Are you familiar with Avon, Sundance, Boardwalk, or Tupperware?

The products of these companies are not directly being sold by the company itself to the customers but through an agent who wants to get a commission from every product that he or she will be able to sell.

These agents can be compared to stock brokers. A stock broker or stock sales agent is the bridge between a company and an investor.

They buy and sell stocks for you and you pay them for their service.

Why do companies sell shares?

Think of a *Turo-turo* restaurant owner who wants to upgrade his restaurant.

He wants to renovate his restaurant, add more tables and chairs, add more *ulams* to sell, and buy new pots, but he does not have enough money to finance the expansion of his business.

Instead of borrowing money from the *Bombay*, he convinces his friend, and his classmate to give him some money and they will also become owners of his *Turo-turo* restaurant business.

Like the *Turo-turo* restaurant owner, when companies need money for their goals, one of their options to raise capital is to divide the ownership of their business into several shares and sell to interested investors.

They then use the collected money to fund the development of their company like buying more equipment or buildings or the like.

How can someone earn in the stock market?

If you have read my e-Book on How Can Teachers Start Investing In The Stock Market I have briefly discussed there how you can earn money from it.

First is through dividends. A part owner of a company shares both with the company's gains and losses.

So, when the company makes profits, the profits will be divided among the shareholders. It may be distributed through cash or additional shares depending on the company's choice.

Second is through capital gains which is simply done by selling of shares. When a smart investor buys shares from a particular company, he sets a target selling price.

For example an investor bought 100 shares of stocks from company X for 10 Pesos a share, he then sets a target selling price of 15 pesos a share for example. So, when the stocks reach his target price of 15 Pesos/share, that's the time for him to sell. So his 1000 Pesos (10 Pesos per share x 100) becomes 1500 Pesos (15 Pesos per share x 100).

The stock market is not so complicated at all. Choose a stock broker of your choice, choose blue chip companies (strong companies that will still be in existence after long years), buy shares from them, set an exit strategy and stick to the plan.

How to be rich through investing in the stock market?

4 Rules of how to invest in the stock market

1. Invest small amounts every month for 20 years (20% of your salary)
2. Invest even when there is a crisis –don't panic if it goes down – wise investors love crisis
3. invest only in giants (Never break this rule) —invest in the top 20 –the biggest
4. Invest in many giants

You have 2 options:

1. You grow old and have no money and you have to depend on your children

2. You grow old with money and have enough financial ability to treat your children and grandchildren, and have the option to write checks for donations to charities.

Which choice is yours? If you choose option B, investing in the stock market can help you achieve this dream.

And in building your wealth, it is important that you have a mentor, a community that guides you. And that's where the Truly Rich Club comes in.

The 4 I's of the Truly Rich Club

1. Investment – enrich yourself
2. Insurance – protect yourself
3. Inspiration – change your mindset

4. Income – affiliate marketing

You may go to http://viol82139.trulyrichclub.com to visit the Truly Rich Club.

Some friends are asking me, "Why stock market? Why not just start my own business? Is the return from stock market really good that I opted to venture into it?"

Well, my answer is simple. "This is the investment instrument I see fit to my needs and current situation".

I understand it best compared with other investment instruments. In short, the stock market is the one which is within my reach right now, mentally, emotionally and financially.

Here are the 5 Reasons Why I Invest In The Stock Market

Top 5: My SSS Pension alone when I'll be 60 years old won't suffice to cover my old age needs

Because I was never a government employee, I am not entitled of the GSIS benefits. Instead, I have the SSS.

When my father was still alive, he only used to receive a meager amount from SSS for his monthly pension. So little that it barely buys him his daily medication. I was so curious that I wanted to know the approximate amount I'll be receiving also once I'll reach the age of 60.

So, I visited the SSS website to learn how to compute the members' retirement pension. I was shocked to see the amount that appears on my calculator. I calculated it twice, thrice, many times hoping that I previously pressed the wrong button and that it will give me a bigger amount this time, but unfortunately the calculation was right.

The amount is *tumataginting* na more than 9,000 Pesos. This will be the money I will be receiving monthly after 27 years, and **27 years from now, what can 9,000 Pesos buy?**

Investing in the stock market will absolutely give me more chances to take care of myself financially when I can no longer work to earn.

Top 4. I don't possess remarkable skills and amount of money to manage a big business

Starting a business is a very interesting topic for me. It may seem easy to begin our own business but let's face it, we need money, time and knowledge to start a hotel, open a fast food restaurant, or own a shopping malls.

However, in the stock market, you can become partners of real estate companies, malls, fast food restaurants, banks.

Because you are a partner, you share with their losses but also with their gains.

Top 3: No pressure from due dates

Unlike other investment instruments, stock market investing gives me the freedom to make my own schedule of funding my online stock market account.

I no longer need to undergo the pressure of meeting premium due dates. Before I become aware of the stock market, I only know VULs (offered by many insurance companies).

To pay for my premiums, I used to borrow money just to meet my Insurance company's payment schedule which I find it very stressful. But now in the stock market, no pressure. The decision is all mine.

Top 2. Freedom to decide on the amount of money to invest regularly

In connection to reason number 3, directly investing in the stock market provides me freedom to decide how much money I will invest in a particular time.

Compared with other investments like my VUL, I have to pay a fixed amount whether I have enough money or not.

In my VUL I don't have control of what stocks my VUL manager will buy. In my stock market investing, if my budget is tight, I may only invest a little and buy few shares, if there is more cash, I may also invest more and buy more shares.

I also decide what stocks to buy and which stocks to let go.

No pressure but of course, I have to bear the sole responsibility of growing my wealth.

Top 1: I teach full time

I work 8 hours everyday from Monday to Friday which is also the same time the stock market opens.

I teach and as a teacher, work does not end in the classrooms. I have to prepare lessons, grade papers, talk to students, and attend meetings and more related and unrelated responsibilities.

So, this working setup makes me realize that to grow my money, I should look for an investment that runs itself while I work. Through the stock market, I can have the ability to duplicate myself earning both an active income and a passive income.

If I understand what I'm putting myself into, the chances are, I can minimize risks and maximize returns.

As Robert Kiyosaki once said, "The stock market is not risky. The **investor** is."

But before you get excited to start investing in the stock market, take a break *muna* and have a *Kitkat* because I'm going to bother you for a few minutes to talk about four things people tend to forget when investing, to make sure you have thought about them, too.

4 Things People Tend To Forget When Investing

1. Goal

Everyone I know is investing so I should to. Really? Do not invest just for the sake of investing. It is essential that you should identify your goal for a particular investment.

Why are you investing? What are you investing for? Are you investing for your retirement? For your children's education? For a house? For a business capital?

What is your goal?

2. Emergency Fund

You are in a hurry to be called an investor, and you are in a hurry to achieve your goals.

But in case of emergency, and you badly need money, do you have enough cash to cover your expenses?

Before embarking to any investments, it is advisable that you should have spare cash which is equivalent to your 3 to 6 months accumulated monthly salary. Otherwise you'll be left with no choice but to withdraw your investment even at its loss.

3. Health Protection

Many Filipinos already have *Philhealth* cards and they are entitled to the benefits provided by the Philippine government. But the thing is *Philhealth* does not cover 100% of the patient's hospital bills and medicines.

Even if you have millions in your investment, when you or your family are faced with serious health problems, (I'm not telling you will, but just in case) believe me, you'll withdraw your millions and worst, you will still ask for loans.

Get health insurance, protect yourself and your family.

4.Income protection

I'm not sure about my next statement, but from my personal experience, most Filipinos are allergic to Life insurance.

But as an investor, getting a life insurance will protect your income. How?

After you have spent your life saving and investing for you and your family, then one unexpected day, when the Lord asks you to go home – *dun naman tayo lahat pupunta di ba?* but of course in different time, in God's plan, so, what will happen to your millions in your investments?

Well,

a. The government will freeze your money
b. They will only be able to release it to your beneficiaries once they pay the estate tax.

The problem is:

If you haven't left them money to pay for the estate tax, how will they be able to withdraw your money and benefit from it?

But if you have life insurance, the money they get from the life insurance can be used to pay for estate tax for the release of your investment which they can use and reinvest.

So, while on your way home to the Lord, your love ones can survive and continue living the comfortable life you have prepared for them.

Just a note: Several Life insurance policies do not only involve death benefits. While living, you can also enjoy some of the other benefits they offer.
Consult your insurance company or agent of your choice about this.

So to sum it up, there are 4 things we need to consider before or when investing

1. goal
2. emergency fund
3. health protection
4. income protection

This is the end of the 3 buckets to financial independence. I wish you and your family a brighter financial future. Start making changes Today not just for yourself but most especially for the people you love.

Please allow me to end Your 3 Buckets To Your Financial Independence with this essay.

How Can You Produce Results

"Unless you change how you are, you always have what you got." *– Jim Rohn*

We get excited when we hear new things. We feel the rush, the eagerness when we hear a new thing to earn money, or to make your money grow. But sooner, the excitement diminishes because we start finding reasons why we can't do it.

The Top 2 Reasons are:

1. No Enough Money

2. No Enough Time

But look, many successful people started with "no enough money" and ***the thought of*** "no enough time".
They wanted to earn an above average income, so what they did was to become an above average person.

We all go through similar difficulties: Fear, lack of money, lack of time, lack of support, etc. but what's important is NOT what happened but it's WHAT you DO.

Let me tell you a story.

This is the story of the two ducks and the eagle

There were two ducks who live on a beautiful pond at the foot of a mountain. On the top of that mountain is an old tree where an eagle lives.

Everyday, the two ducks look up the sky and see the eagle flying around, down and up the mountain. This makes the two ducks admire the eagle very much for his strength and his ability to soar high. They also want to be like him, to fly. They keep asking, *"HOW can we also fly?"* Everytime they see the eagle, they exclaim *"Wow!!!"* then again ask *"How?"*

So, one day, the two ducks decide to waddle their back up the mountain. And after wobbling for days, they finally arrive on the summit where the eagle lives.

When they see the eagle arriving, they quack and wobble around the tree to be noticed. Finally, the eagle sees them and ask what they need. The ducks immediately and humbly beg the eagle to teach them how to fly.

The eagle looks surprised, but he smiles and gladly agrees to show them how to fly one step at a time. He begins by teaching the ducks to spread their wings and to flap them until finally, the ducks are able to fly.

So, after days of grueling but successful training, the eagle congratulates the ducks and he said, *"Congratulations ducks, now that you can fly, you can now go home. It has been a great pleasure for me to share my knowledge of flying with you."*

The two ducks are in tears…tears of joy. They hug each other, hug and thank the eagle, and celebrate.

The next morning, the ducks get up early. They thank the eagle and say their goodbyes.

Then, they carefully wobble themselves down the steep mountain – carefully walking slowly again for days on their way back home to the pond.

DO NOT be Like these Ducks

After learning how to fly, they still chose to walk on their way home.

Most of the time, we are like these ducks. We already know how to do it but we still choose not to. We already know it's possible. We are seeing it everyday but we still haven't started yet?

Sometimes, all we need to do is chew and swallow, but we still demand others to chew for us and swallow for us.

Implement what you already know.

How Can You Proceed To Implementation

1. Believe You Can

The reason why the ducks chose to walk back home instead of flying home is they doubt themselves whether they really can fly after learning all the techniques of flying from the best flyer on the mountain.

It is a must to believe you CAN.

It's the belief that you can do it that matters because if you do believe you achieve. If you do believe you will be encouraged to start doing things to produce results.

If you strongly believe that you can be rich, that you can change your financial life, the most possible result is you will be able to push yourself to do necessary actions to start making small changes, little steps that will give you massive result in the future.

No matter how strong your belief is if you don't have the right behavior, you will not produce good results.

One of the reasons why many of my students fail is not because they are stupid but because they don't have the proper behavior. They don't listen and some are stubborn that they insist on doing what they think is right and easy. They aren't willing to accept new ways of learning.

If students are stubborn to accept new things, more so with adults and professionals.

I have encountered people who are not teachable. There are many times people think they know a lot of things and thus they don't accept others' opinions or suggestions because they already made up their mind that their way is THE only way.

I have encountered several people who want to earn more and they believe they can but hesitate to invest a little amount of time and money to receive more. For farmers to have a good harvest, they must spend money to buy good seeds and reasonable amount of fertilizers and pesticides.

No matter what you know and what you desire to have if you have a bad behavior, it is unlikely that you will produce good results.

These are the 2 Bs to a massive success.

Why would you go back wobbling your way back home when you can fly?

I hope that I have filled your buckets today with value. If you want to learn more, please visit my website and download your free stock market blueprint

www.isavenvestify.com

You may also enroll for a Stock Market Online Training at

https://www.isavenvestify.com/smot/

I am also inviting you to join our Facebook Group

https://www.facebook.com/groups/isavenvestify/

or like our Facebook Page

https://www.facebook.com/isavenvestify/

Best Wishes,

Viol